



September 30, 2011

Commissioner Carla Peterman, Presiding Member
Vice Chair James Boyd, Associate Member
Renewables Committee
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 02-REN-1038 and 11-RPS-01
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

02-REN-1038

DOCKET

11-RPS-01

DATE SEP 30 2011

RECD. SEP 30 2011

Re: Docket No.02-REN-1038 and 11-RPS-01, RPS Proceeding

Dear Commissioner Peterman and Vice Chair Boyd:

Thank you for the opportunity to submit these comments regarding the use of pipeline biomethane in the Renewable Portfolio Standard (RPS). Bloom Energy remains committed to helping achieve the state's progressive environmental and energy goals. Bloom supports the existing state policies that encourage renewable projects and the capture and use of methane. Bloom limits our comments to the broader environmental and business impacts rather than addressing the technical questions posed by the Commission. We look forward to further participation in this proceeding and with all stakeholders.

Bloom's interest in the use of biomethane focuses in part on the ability to offer a desired product to customers. Biomethane is a renewable product and many if not most of our customers would prefer to use a renewable product. Limiting the customer's ability to choose renewable biomethane limits their ability to do a renewable project and help meet environmental goals. Customers and utilities alike should be afforded the opportunity – and even encouraged – to play a part in the cleaning of the grid and meeting the state's environmental goals.

Biomethane is a renewable fuel that is GHG neutral. The U.S. Environmental Protection Agency (EPA) notes that there are many benefits of methane capture as methane is 23 times more potent as a greenhouse gas than carbon dioxide.¹ For these reasons, biomethane plays an important

¹ U.S. Environmental Protection Agency, *Questions and Answers: The Methane to Markets Partnership*.

<http://www.epa.gov/methane/qanda.html>. Reducing methane emissions has many important energy, safety, economic, and environmental benefits. First, because methane is both a potent GHG and has a short atmospheric lifetime, methane reductions can produce significant near-term results. In addition, methane is the primary constituent of natural gas. Thus, the collection and utilization of methane provides a valuable, clean-burning energy source that improves quality of life in local communities and can generate revenue and improve living standards. Producing energy from recovered methane can also avoid the use of higher-emitting energy resources such as wood, coal or oil. This can reduce end user and power plant emissions of CO₂ and air pollutants such as sulfur dioxide (which is a major contributor to acid rain), particulate matter (a respiratory health concern), and trace hazardous air pollutants.

role in the state's Renewables Portfolio Standard (RPS) and should continue to qualify for RPS in any form, onsite or via pipeline. Capturing and using methane as an energy source rather than flaring, in addition to displacing natural gas, is significant given the potent nature of methane and should continue to be supported by the State of California.

Further, disallowing out-of-state biomethane fails to recognize the reality of the gas import paradigm of the California energy market. We as a state import 86% of our natural gas. In essence, this implies that the state will provide an incentive for the use of out-of-state natural gas but not out-of-state renewable gas. While Bloom agrees a vibrant in-state biomethane market should be our goal, there are significant regulatory, and potentially legislative, barriers preventing the use of our largest source of biomethane: landfills. As such, there is currently a very limited supply of pipeline biomethane within the state.

The Commission should maintain the use of all sources of biomethane while the policies for the use of landfill gas are revised. Doing so will clean up our gas supply, aid in the capture and use of methane as a renewable energy source, and provide all customers an opportunity to participate in creating a cleaner California grid. Thank you for the opportunity to provide comments on this important issue. I look forward to continuing to work with you and Commission staff on these issues.

Sincerely,

/s/

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